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TITLE 760 DEPARTMENT OF INSURANCE

LSA Document #01-399

August 27, 2002

Chairperson, Administrative Oversight Committee
c/o George Angelone
Legislative Services Agency

Dear Mr. Chairman:

The Indiana State Department of Insurance is in the process of modifying the current rules for the sale of credit insurance in Indiana. The proposed changes to the rules are substantial as the rules have not been amended in several years. Traditionally, when amending a rule that require significant changes, the department uses a method of repealing the current rule and replacing it with a new rule rather than striking large portions of the current rule and adding large amounts of new text. That method was used in this case.

Statutory authority for adoption of a credit insurance rule has been in place for many years. Under Ind. Code 4-22-2-19, promulgation of rules require beginning the rulemaking process within 60 days of the enactment of such statutory authority unless an exception applies. The rulemaking process did not begin for these rules within 60 days of the effective date of the statutory authority. Rules were already in place pursuant to the statutory authority enacted many years ago. Ind. Code 4-22-2-19(a)(2) excepts rules from the application of the 60 day requirement if they are amending existing rules. Our proposed rules do not fall under the amendment exception as the proposed rules will replace the current rules and is not in a strictly amendment format, but the department's intention is to amend the current rules (760 IAC 1-5 and 760 IAC 1-14).

The department is providing this written notification to the committee to explain why this rule could not comply with the timeframe specified in Ind. Code 4-22-2-19(c)(1). The department's rulemaking action to update and amend the current rule was undertaken as soon as practicable once changes in the current rule were needed.

If you need additional information please contact Amy Strati at (317) 232-0143.

Very truly yours,

Amy E. Strati
Chief Counsel